

Questions for Department Heads – Administration and Regulation Subcommittee
Iowa Department of Revenue
Courtney Kay-Decker, Director
February 15, 2011

1. What is the core mission of your department?

Agency Mission Statement: To serve Iowans and support government services in Iowa by collecting all taxes required by law, but no more.

Agency Strategic Plan Goal: The Department of Revenue will seek to improve the voluntary compliance with Iowa's tax system.

2. What is the effect of Senate File 2088 (State Government Reorganization Act) on your Department?

- The Department received an appropriation of \$325,000 and 5 FTEs in SF 2088. With those funds, the Department hired 5 additional Examiners. We had estimated that the 5 examiners could collect approximately \$3,000,000 of established tax liability a year. We were able to hire 3 examiners in September, 2010 and 2 more examiners in October, 2010. Since their hiring the 5 examiners have collected just over \$1.96 million. At the current rate this would put the examiners on track to collect over \$4 million in a year.
- IT Consolidation-currently in line for consolidation of email, have participated in hardware and software information collection.

3. How many employees do you have?

316

4. How many merit employees?

26 merit, 5 at will, and 4 statutory

5. How many employees are covered under collective bargaining agreements?

281

6. How many department FTEs are federal funded?

None

7. Have there been any recent reclassifications of individuals in your department? How many and what were the changes?

- One employee was reclassified from a Technical Taxpayer Specialist I to Attorney II to more accurately reflect the duties and responsibilities assigned to the position.

8. Does your department receive federal funds? If so, what is the State match?

No.

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9. Can divisions within the department be merged to create greater efficiencies?

We are exploring those possibilities as we continue to make adjustments due to the SERIP program and past and current budget reductions.

10. How much department revenue comes from other state agencies?

DHS Collections	\$54,000
Court Debt Collections	\$2,100,000
DNR Collections	\$5,000
Treasurer's Office	\$300,000

11. How much department revenue is fee-based?

None

12. For FY 2011, describe the department's current budget situation. Do you expect any savings?

We do not anticipate that we will be under budget at the end of FY 2011. Our total FY 2011 budget was cut by \$4.1 million under HF 2531, and we learned of about \$1 million of those cuts in early January. The Department planned for over \$3 million in budget cuts at the beginning of the fiscal year in anticipation of the HF 2531 cuts. The Department has been exploring options to meet the additional cuts, of which only \$750,000 had not been already anticipated. As we enter our busiest time of the year, we recognize that it will be a challenge to meet our budget with those additional cuts, but we expect that we will meet the challenge.

13. For budget line items that have only used 10-20% of their allocations so far, do you expect any savings?

No budget lines are under 20% utilization

14. How does House File 45 (Taxpayers First Bill) impact your department?

- The Department has records at the State warehouse currently located in a flood plain. During the floods of 2008 we began preventive movement of files from the warehouse. We did not completely empty the warehouse, but what we did remove consisted of 18 semi-trailers of documents. The documents are in "open shelving". That means each file would need to be boxed before moving. We also have office space located in that flood plain. Moving the documents would come at a significant short-term cost. Ideally we believe the documents should be scanned but we do not currently have the technology to accomplish that.
- State cars are being reviewed for retention and the department will be reducing the number that we maintain.
- 50% Reduction in unspent balances in support budget lines.

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15. Were any American Recovery and Reinvestment Act (ARRA) funds used in FY 2011

The Department did not receive any ARRA funds.

16. Did the Department receive any Appropriations Transfers in FY 2011?

No.

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